

# MEETING OF THE BOARD OF TRUSTEES

OF THE

# UNIVERSITY OF ILLINOIS

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April 20, 1933



A special meeting of the Board of Trustees of the University of Illinois was held in Springfield at four o'clock p.m. on Thursday, April 20, 1933, pursuant to the following notice which was sent out by the Secretary on April 14, 1933:

On the call of the President, Mr. Edward E. Barrett, a special meeting of the Board of Trustees of the University of Illinois will be held at 4 o'clock p.m. on Thursday, April 20, 1933, in the Governor's office, in the State House, in Springfield, to consider matters connected with the University State Budget.

The following members were present: President Barrett, Mr. Armstrong, Mr. Barr, Mrs. Freeman, Governor Horner, Dr. Meyer, Mr. Williams. President Chase was present; also Professor Morey, Judge Johnson, and Mr. Janata, for the University; Senator Rollo M. Shaw, Chairman of the Senate Committee on Appropriations; Representatives John Devine, Gus Johnson, and David Shanahan, of the House Committee on Appropriations; Director Joseph J. Rice and Mr. William H. McLain, of the State Department of Finance; and Mr. H. L. Henderson.

### SUMMARY OF BUDGET REQUIREMENTS

President Chase presented the following statement of the financial requirements of the University for the coming biennium:

The last Legislature appropriated to the University \$11,280,000 aside from special restricted funds. Of this amount \$1,400,000 was for the second unit of its medical and dental campus in Chicago, and the remainder—\$9,880,000—for operating purposes for the biennium. The University made up its budget on that basis and operated on that basis from July to December. This is the amount, therefore, from which it has had to shrink. Its actual expenditures from these State appropriations during the biennium, however, will amount only to \$8,480,631. In other words, it has not utilized the \$1,400,000 for buildings and in addition has reduced its operating expenditures from State funds by \$1,400,000 during the biennium, making a total of \$2,800,000 not expended of its appropriation.

In its operations for the current biennium it has, furthermore, used up all surplus and contingent funds from non-State sources, including a contingent fund of \$208,000 carried over from the fiscal year 1930-31 into the present biennium and a fund of a quarter of a million dollars which represents the accumulated earnings of its Residence Halls over a period of years. In the past these earnings have been used to build new units of the Residence Halls, but under present conditions the Board felt they should be released into general income. These surpluses, once used, are gone and the University goes into the next biennium with no surplus or contingent fund in its budget.

For the coming biennium, the University requests a State appropriation of \$7,810,000, all for operating expenses. No appropriation for capital purposes is requested, although the need is still pressing for the completion of the Medical and Dental group in Chicago, for which an appropriation was made two years ago which has not been used. The present request represents a decrease of 31% from the total appropriation of the current biennium and 21% in the appropriation for current expenses. It is 8% less than the actual expenditures from State funds during the present biennium although these expenditures have been on a greatly reduced basis as compared with the preceding biennium.

In addition to the general appropriation, the State also appropriates to the University the amount received from the Federal Government for the support of the University, \$50,000 per year. It must also appropriate \$32,451 per year to cover the interest on the endowment fund from the U. S. Land Grant Act of 1862. In recent biennial periods, an appropriation has also been made at the behest of interested parties, for the maintenance of an Agricultural Experiment Station in Cook County, the amount for the current biennium being \$30,000. The grand total of all of these appropriations for the current biennium is \$11,475,000, while the total request for 1933-35 is \$7,974,902. The latter figure does not include any provision for the Cook County Station, but a separate appropriation bill for \$20,000 has been introduced by its sponsors.

The general operating expenses of the University are met not only by State appropriations but also in part by the income from student fees, sales of products, and miscellaneous income. These items together with the State appropriation just described make up the total operating budget of \$5,078,000 per year for the coming biennium. The total estimate for *salaries and wages* is \$4,100,000 per year, of which \$800,000 is met from sources other than the general State appropriation, and \$3,300,000 is requested from the State. The present State appropriation is \$3,675,000 per year. A salary cut of 10% on the amount of each salary above \$1000 was put into effect March 1, 1933. The proposed budget contemplates a reduction on the full salary of all members of the staff, effective July 1, 1933, based on a sliding scale of from five to fifteen per cent, under the original salary and wage basis.

Appropriations requested for items of *expense other than salaries and wages* are on the average 52% under the present appropriations.

The University also receives certain funds, the uses of which are specified by parties other than the State. Such funds include Federal appropriations for agricultural research and extension and gifts from private concerns or individuals for various purposes. In 1930-31 the University expended \$8,663,568 for all purposes, both current and capital. For 1933-35 the estimated annual expenditures are \$5,478,000, a decrease of 37%. In current expense alone the decrease from the high point of 1931-32 is 18%.

Two charts are appended showing the comparison of the proposed budget with the budgets for each year of the past decade. *Chart D* shows State appropriations during this period, and indicates that the proposed appropriation is on a basis lower than at any time since 1921. *Chart E* shows that the total operating budget is lower than at any time since 1922.

This budget is based on detailed estimates covering every department and activity of the University. In other words, it is a built-up budget and not merely a general estimate. The actual expense of the individual departments during the biennium may vary to some degree from the present estimates. Every possible economy which can be discovered will be taken advantage of. Considering the fact, however, that the budget contains no contingent fund and considering the great variety of the University's activities and the difficulty of forecasting the demands on the various departments for two years in advance, the present budget is on a most conservative basis as to total.

Professor Morey explained the schedules attached to President Chase's statement.

A general discussion followed, and the Board adjourned.

H. E. CUNNINGHAM  
*Secretary*

EDWARD E. BARRETT  
*President*